

KWESST Releases Commercialization Roadmap for Low Energy Cartridge Product Line

Official commercial launch to take place at SHOT Show(R), January 18-21, 2022 in Las Vegas

Ottawa, Ontario--(Newsfile Corp. - July 12, 2021) - KWESST Micro Systems Inc. (TSXV: KWE) (OTCQB: KWEMF) ("KWESST" or "the Company") today announced key details of the commercialization road map of its non-lethal Low Energy Cartridge (LEC) product line, which will culminate with an official commercial launch at the 2022 SHOT Show® in Las Vegas, January 18 - 21.

Jeff MacLeod, Founder, CEO and President of KWESST, stated that, "On Friday July 9th, we successfully completed our first public live demonstration of the LEC system to a group of investors in the Whistler, British Columbia area. Video footage of this demonstration will be uploaded on our website in the coming days." He added, "We are now accelerating our go-to market efforts. Over the summer, we will introduce samples to authorities for demonstration and testing in the public order and security market and the personal defence market. We will also obtain user testimonials and engage with key influencers in the field of law enforcement and public security to heighten the profile of the LEC system in the U.S. and internationally. We expect to take pre-orders for the LEC product line in late fall. This is the lead-up to an official launch at the SHOT Show® in January, which will include firing demonstrations in various calibres and firing platforms."

The LEC system is the world's first cartridge-based non-lethal firing system with universal application across four market segments that currently use a variety of dated "non-lethal" or "less-lethal" solutions. These segments are (i) public order and security (riots and control of dangerous subjects), (ii) military and law enforcement training (realistic force-on-force training), (iii) personal defence (home, car, boat, RV, camping, hiking), and (iv) high-action gaming.

KWESST is prioritizing the global self-defence and the public order and security markets, where there exist ready channel partners, including large e-marketplaces for tactical products and sophisticated social media campaigns, hence avoiding the expense and time to build out an internal sales force. These markets represent near-term opportunities with short selling cycles.

The SHOT Show® is the largest trade show of its kind for buyers and suppliers in the "*Shooting Hunting and Outdoor Trade*" (SHOT) and has evolved over the years to include exhibitors and buyers across the tactical, personal defence and high-action gaming communities. It is *the* annual event for commercial buyers and distributors to see what is new and to place orders.

The Company stated that it is pursuing an accelerated path to market in view of the significant component of business the LEC product line is expected to contribute to revenue growth, and because of the readiness and receptiveness of the market for a breakthrough in non-lethal solutions.

About SHOT Show®

For the past 42 years, firearm industry professionals have gathered for SHOT Show®, the largest trade show for target shooting, hunting, outdoor and law enforcement products. The 43rd Shooting, Hunting and Outdoor Trade Show (SHOT Show®) will take place from January 18 to 21, 2022 at the Sands Expo and Convention Center in Las Vegas, with expansion into the new Caesars Forum and adding more exhibit space and totaling over 800,000 net square feet. The SHOT Show® is an annual opportunity for companies to showcase their products to industry buyers.

Owned and sponsored by the National Shooting Sports Foundation® (NSSF®), the SHOT Show® is the largest trade show of its kind in the world. For days, the SHOT Show® will attract over 60,000 industry professionals from the firearms and outdoor industry, hosting more than 1,600 exhibiting companies (more than 2,400 total when including the Suppliers Showcase and the Pop-Up Preview) on over 692,000 net square feet of exhibit space - equivalent to nearly 16 acres.

Sometimes referred to as the Las Vegas Gun Show 2021, the upcoming SHOT Show® will showcase new, innovative products used for target shooting, hunting, outdoor recreation and law enforcement purposes. On display will be a wide spectrum of products, including firearms, ammunition, gun safes, locks and cases, optics, shooting range equipment, targets, training and safety equipment, hunting accessories, law enforcement equipment, hearing and eye protection, tree stands, scents and lures, cutlery, GPS systems, holsters, apparel, leather goods, game calls and decoys. The products unveiled at the SHOT Show® are usually what consumers will see on retailers' shelves during the course of the year.

About the non-lethal market and the Low Energy Cartridge System

The market for non-lethal products is a recurring multi-billion-dollar opportunity. Customers continue to seek better solutions as many legacy systems can be lethal, and frequently are unreliable. Thousands of fatalities have been recorded from existing cartridge-based systems, including conducted energy devices such as Taser. Other legacy products that are "less" lethal typically fire from air guns, which are inherently unreliable as they are affected by ambient temperature and involve high-maintenance including as a result of air seals and "O" rings drying out and bursting, causing catastrophic failures. Air-based systems also entail a long logistics tail of compressors, air tanks and spare parts.

The LEC system solves these problems with the proven reliability of a cartridge-based system in a low-cost firing platform that fires only LEC cartridges. The firing platforms are offered in various patterns that replicate the look of a real firearm, or avoid the appearance of a firearm altogether, at the user's choice. The proprietary LEC cartridge automatically stabilizes the projectile for accuracy and distance, with an energetic actuator that controls velocity and muzzle energy well below lethal levels, and with no need for gunpowder or conventional propellant. The system's soft frangible projectiles come with various payloads, including coloured marking agent, inert powder or a safe but powerful irritant powder that temporarily incapacitates subjects.

About KWESST

KWESST develops and commercializes breakthrough next-generation tactical systems that meet the requirements of security forces and personal defense for overmatch capability against adversaries. The company's current portfolio of unique proprietary offerings include: its signature TASCSTTM (Tactical Awareness and Situational Control System) for real-time awareness and targeting information from any source (including drones) streamed directly to users' smart devices and weapons; the autonomous GreyGhostTM soldier-portable micro drone missile system that defends against small hostile drones including swarms using high-speed kinetic impact; a Ground Laser Defence system to counter the emerging threat of weaponized lasers against personnel; and, the PhantomTM electronic battlefield decoy system to mask the electromagnetic signature of friendly forces with decoy signatures at false locations to deceive and confuse adversaries. All systems can operate stand-alone or integrate seamlessly with OEM products and battlefield management systems including Frontline, Edge, Killswitch and all versions of the ATAK Tactical Awareness. KWESST also has developmental "smart ordnance" projects including its "Shot Counter" system, which records the number and type of rounds fired, for optimized firearms maintenance and performance, and a unique non-lethal Low Energy Cartridge (LEC) system with application across all segments of the non-lethal market. The Company is headquartered in Ottawa, Canada, with representative offices in Washington, DC, London, UK and Abu Dhabi, UAE. KWESST trades on the TSX Venture Exchange under the symbol KWE and on the U.S. OTCQB under the symbol KWEMF.

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For more information, please visit <https://kwesst.com/>.

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the timing for the commencement of trading and the plans and operations of KWESST after giving effect to the Qualifying Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. KWESST disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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